

surance business not authorized by its articles of incorporation, or to authorize any acquiring corporation which is not an insurance company to engage directly in the business of insurance. Subsequent to the effective date of the plan of exchange, the Commissioner having regard to the findings stated in subsection (b) of G. S. 58-86.3, shall have the authority to require that the affairs of the domestic company be conducted in such manner as to assure the continuing safe conduct and transaction of the domestic company's business of insurance.

“(b) If at any time the Commissioner finds, after due notice and opportunity to be heard as provided by G. S. 58-9.2, that the business and affairs of the acquiring corporation are of such nature or are conducted in such manner as to endanger the continued solvency of any domestic insurance company, to be harmful to any domestic insurance company, or to impair the rights of any policyholder, he shall issue such written order or orders as he deems appropriate to assure that the business and affairs of the acquiring corporation are of such nature and are conducted in such manner as to no longer endanger the solvency of any domestic insurance company, to be harmful to any domestic insurance company, or to impair the rights of any policyholder, including an order requiring the acquiring corporation to divest itself of the stock of the domestic company.

“(c) The Commissioner may examine, at such time or times as he may deem appropriate, the financial and business affairs of the acquiring corporation, and in connection with any such examination or examinations the acquiring corporation shall make available its books, records and accounts, and the Commissioner may require from the acquiring corporation and its officers, directors and employees the submission of such written or oral statements as the Commissioner may deem necessary or advisable. The cost of the examination shall be borne by the acquiring corporation at the same rate as is provided for under G. S. 58-63(3).

“(d) Any acquiring corporation which owns or controls any domestic insurance company shall be subject to all proxy solicitation and insider trading regulations promulgated from time to time by the Commissioner of Insurance pursuant to statutory authority.

“(e) It shall be unlawful for any domestic insurance company which has exercised the privileges allowed by this Article, except upon written approval by the Commissioner and subject to the provisions of G. S. 58-79,

(1) to invest any of its funds in the capital stock, bonds, debentures, or other obligations of any acquiring corporation of which it is a subsidiary, or of any other subsidiary of any such acquiring corporation;

(2) to accept the capital stock, bonds, debentures, or other obligations of any acquiring corporation of which it is a subsidiary or any other subsidiary of any such acquiring corporation, as collateral security for advances made to any person or company;

(3) to purchase securities, other assets or obligations under repurchase agreement from any acquiring corporation of which it is a subsidiary or any other subsidiary of any such acquiring corporation; and

(4) to make any loan, discount or extension of credit to any acquiring corporation of which it is a subsidiary or to any other subsidiary of any such acquiring corporation.